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Decoding Tiktok E-Wom: Unraveling Its Impact On Consumer Purchase Intentions For Saff & Co Products

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Abstract:

This study examines how eWOM on TikTok affects consumer purchase intentions for Saff & Co products. This study examines various eWOM factors using the information adoption model (IAM) as a framework. The study used a quantitative approach with 275 Indonesian TikTok users interested in Saff & Co; the study found that respondents rated the eWOM variables positively. Specifically, Information Quality, Information Quantity, Information Credibility, and Information Adoption significantly influence purchase intentions. The insights provide a foundation for Saff & Co. and the perfumery industry, ensuring that marketing strategies are aligned with consumer preferences and improving overall satisfaction.

Keywords: eWOM, TikTok, Information Adoption Model, and Purchase Intention

1. Introduction

With the growth of global connectivity, the rise in internet users has led to a significant boost in social media engagement. As more individuals gain online access, social media platforms have become a popular medium for communication, interaction, and content consumption. This widespread use highlights social media's role as a fundamental component of modern digital culture which has evolved into a primary channel for discovering and sharing product information. Companies and businesses now leverage social media to enhance their marketing strategies [1]. Social media marketing has become a crucial element in contemporary marketing, transforming how consumers and brands interact. These platforms enable businesses to connect with their target audience, establish a brand presence, and drive commercial success. In marketing, social media has many impacts on several aspects, such as eWOM, customer relationship management, as well as consumer behavior and perception [2]. The importance of online customer reviews or eWOM has been extensively studied to determine its influence in determining business performance, customer propensity to advocate brands or products, and estimating the purchase intention of customers. To stimulate eWOM, companies can utilize online platforms and social media to motivate consumers to disseminate their positive experiences with brands [3]. Many Indonesian people buy a product based on a brand they know, the brand can reflect the quality of the product and improve the social status of the people who use it [4].

TikTok is the foremost used social media platform and is used by most users globally. Amidst other social media platforms, TikTok has drawn the spotlight for its own refreshingly unique experience in both content production and user engagement, with approximately 106.51 million TikTok users in Indonesia [5]. The increasing number of TikTok users in Indonesia offers a promising market potential for the company. In the surge in TikTok trends and its unique format, businesses are increasingly utilizing this platform for their digital marketing efforts.

The performance in the FMCG sector within the Beauty & Care category, the Perfume sub-category experienced the highest growth in Average Monthly Revenue (AMR) during Harbolnas 2022, with a 31% increase [6]. This surge in perfume sales reflects a growing interest in fragrance products among Indonesians. With an increasing number of participants in the perfume market, competition is expected to intensify. Saff & Co, a local perfume brand that entered the Indonesian market in 2020, has notably performed well in e-commerce, achieving high sales and earning accolades such as 'Fastest Growing Brand 2023'. Additionally, as of April 2024, Saff & Co has gained substantial attention and influence on TikTok, demonstrating its ability to make a significant impact and gain recognition in a relatively short period [7].

Extensive research has been conducted to assess the impact of eWOM significance on business performance, the possibility of customers recommending brands or products, and purchase intention. eWOM covers the consumer's online environment. Consumer attitudes towards eWOM are essential to analyze to understand consumer behaviour intentions better. Consumer attitudes are essential for marketers because consumers are motivated to buy or not buy certain goods or brands based on their attitude towards the object of attitude, both positive and negative.

2. Literature Review and Hypothesis Development

2.1 Electronics Word of Mouth (eWOM)

eWOM involves disseminating opinions about a product or brand online without any commercial purpose, allowing consumers to share positive and negative feedback [7]. The expansion of the Internet, which brings new ways of direct communication, has driven the appearance of the eWOM term [8]. eWOM is a new direct communication system that has emerged due to the rise of the Internet's development [8]. Companies have used eWOM to deliver product information through social media as a way of marketing communication [3]. Consumers can give online information regarding products or services, leading to positive or negative eWOM [8].

2.2 Information Quality

The information provided should be related to the company's products and services; the quality of the information defines how valuable the information is [9]. Information Quality is referred to as information provided to the consumers in relation to the goods and services offered in a clear and precise way so as to benefit the consumers if the quality is considered to be favorable [10]. Indrawati et al. [2] research state information quality positively and significantly influences information usefulness.

H1. Information Quality of Saff & Co on TikTok positively and significantly influences the Information Usefulness

2.3 Information Quantity

Information quantity refers to the number or frequency with which information is made available to consumers. The number of customer reviews can be determined by estimating each consumer's market involvement rate [11]. Information quantity is positively related to information usefulness because it is helpful in reducing perceived risk, where consumers rely heavily on information to gain certainty during the decision-making process [12]. Information quantity is essential because a higher volume of reviews or comments through eWOM can positively impact purchase intentions and perceptions of brand popularity and trustworthiness. Consumers are more likely to trust others' perceptions towards products if more information is provided

H2 Information Quantity of Saff & Co on TikTok positively and significantly influences the Information Usefulness

2.4 Information Credibility

The credibility of information is the foremost factor influencing how society views information as convincing [2]. Information Credibility is how consumers perceive the credibility of information on social media platforms [13]. The credibility rate of information is more accessible than diagnostic perception, in which consumers can examine the social media platform's reputation mechanism, prefer user reviews with a high reputation rank, identify options, and decide [13]. Credibility is crucial in developing and building confidence; when consumers consider eWOM information to be credible, they presumably trust the review or recommendation, enhancing their confidence in the promoted product or service [12].

H3. Information Credibility of Saff & Co on TikTok positively and significantly influences the Information Usefulness

2.5 Information Usefulness

Information usefulness addresses the consumer's feedback that the obtained information is valuable and assists in consumer's decision-making process [2]. The usefulness of information found in a comment or discussion on social media is the key to determining whether the information is valuable [13]. Information usefulness presents indicators of useful, informative, valuable, and helpful [14]. Consumer tend to adopt

informations that they perceive as useful [7]. The study conducted by Indrawati et al. [2] found a positive and significant influence on the usefulness of information on purchase intention.

H4. Information Usefulness of Saff & Co on TikTok positively and significantly influences the Purchase Intention

2.6 Information Adoption

Information adoption reflects the informational influence of information and people who adopt information will accept the information, information is considered valuable if the recipient decides to apply the information in their actions [2]. Consumers' intentions of product purchasing are often influenced by the knowledge they gain and adopt about the product from social media [13]. Information adoption is a process of individuals' processing and internalizing information [15]. People are more inclined to embrace information if it is pertinent and beneficial for their needs and objectives [16]. Information adoption is able to influence consumer knowledge and receipt of information and product recommendations, thereby increasing consumer interest in buying products due to the availability of relevant information and recommendations [17]. The study by Indrawati et al. [2] shows a positive and significant influence between the adoption of information and purchase intention.

H5. Information Adoption of Saff & Co on TikTok positively and significantly influences the Purchase Intention

2.7 Research Framework

This study's research framework derives from the model proposed by Indrawati et al. [2]. It seeks to advance the understanding of eWOM effects by implementing an adapted model that researches the relationship between information adoption and purchase intentions.

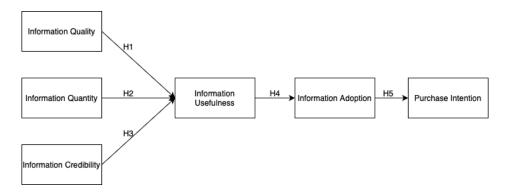


Fig. 1: Research Framework

Source: Indrawati et al (2022)

3. Methodology

3.1 Data Collection and Analysis Technique

The study utilized a Likert scale for measurement. A purposive sampling method, a type of non-probability sampling, was used, as the study aimed at a specific and defined respondent profile. This method ensured that the samples accurately represented the relevant information for the research. The data of 275 respondents were surveyed for this research, with the respondent characteristics detailed in Table 1.

Table 1: Respondents' Characteristics

Description	Percentage	
Gender	Male	51.27%
Gender	Female	48.73%
	15-20	10.18%
Age	21-25	56.36%
(in Years)	26-30	28%
	>30	5.45%
Education	High School Diploma	13.82%
Education	Associate degree	18.55%

Bachelor's Degree	37.82%
Master's Degree	20.36%
Other	9.45%

This study adapts the theoretical framework and revises several indicators of its variables, aiming to advance theory and predict constructs. It focuses on analyzing the impact of eWOM by applying an information adoption model (IAM) to purchase intention. The research employs Partial Least Squares (PLS), a variance-based structural equation modelling technique called VB-SEM. Data processing and analysis were conducted using SmartPLS 3.0 software.

4. Result and Discussion

4.1 Measurement Model Evaluation

SmartPLS 3.0 software was used to evaluate convergent validity, reliability, and discriminant validity.

4.1.1 Convergent validity

Convergent validity was evaluated using factor loadings (FL) and average variance extracted (AVE) [17]. Cronbach's Alpha (CA) and Composite Reliability (CR), which exceeded 0.7 to ensure robustness, were used to test the reliability. Variance Inflation Factors (VIF) are within acceptable limits, which means there is no multicollinearity.

Table 2: Convergent Validity Result

Variable	Items	FL	VIF	CA	CR	AVE
	Code	(>0.7)		(>0.7)	(>0.7)	(0.5)
Information Quality (Indrawati et	IQ1	0.789	2.296	0.941	0.950	0.655
al., 2022)	IQ2	0.759	2.019			
	IQ3	0.771	2.137			
	IQ4	0.851	2.987			
	IQ5	0.819	2.517			
	IQ6	0.793	2.320			
	IQ7	0.832	2.703			
	IQ8	0.858	3.138			
	IQ9	0.797	2.350			
	IQ10	0.817	2.524			
Information Quantity (Indrawati et	IQn1	0.865	2.053	0.858	0.914	0.779
al., 2022)	IQn2	0.894	2.253			
	IQn3	0.889	2.192			
Information Credibility (Indrawati et	IC1	0.764	1.740	0.856	0.893	0.581
al., 2022)	IC2	0.740	1.704			
	IC3	0.794	1,775			
	IC4	0.754	1.677			
	IC5	0.770	1.847			
	IC6	0.750	1.752			
Information Usefulness (Indrawati et	IU1	0.788	1.764	0.856	0.896	0.634
al., 2022)	IU2	0.749	1.661			
	IU3	0.791	1.829			
	IU4	0.813	1.966			
	IU5	0.838	2.036			
Information Adoption (Indrawati et	IA1	0.883	2.199	0.864	0.917	0.786
al., 2022)	IA2	0.883	2.151			
	IA3	0.894	2.315			
Purchase Intention (Indrawati et al.,	PI1	0.835	2.212	0.894	0.922	0.702
2022)	PI2	0.830	2.192			
	PI3	0.830	2.229			
	PI4	0.843	2.992			

PI5	0.851	2.352		

4.1.2 Discriminant validity

We assessed discriminant validity using the Fornell-Larcker criterion, ensuring that the value of each construct exceeded its correlations with other constructs. Additionally, we checked that the Heterotrait-Monotrait (HTMT) ratio did not exceed 0.85.

Table 3: Fornell-Larcker Criterion

	IA	IC	IQ	IQn	IU	PI
IA	0.886					
IC	0.441	0.762				
IQ	0.649	0.429	0.809			
IQn	0,684	0.592	0.629	0.883		
IU	0.634	0.464	0.612	0.576	0.796	
PI	0.715	0.570	0.712	0.706	0.624	0.838

Table 4: Heterotrait-Monotrait Ratio (HTMT)

	IA	IC	IQ	IQn	IU	PI
IA						
IC	0.517					
IQ	0.718	0.478				
IQn	0.793	0.694	0.697			
IU	0.734	0.534	0.677	0.665		
PI	0.812	0.654	0.775	0.803	0.710	

4.2 Structural Evaluation Model

Figure 2 displays the results from structural model evaluation. The results presented in Figure 2 and Table 5 support all proposed hypotheses, and the confidence intervals for the structural model do not overlap with zero, confirming the statistical significance of the findings.

Table 5: Hypothesis Testing

Hypothesis	Path Coefficient	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values	Result
Н5	$IA \rightarrow PI$	0.715	0.713	0.041	17.288	0.000	Valid
Н3	$IC \rightarrow IU$	0.156	0.163	0.086	1.810	0.035	Valid
H1	$IQ \rightarrow IU$	0.400	0.394	0.085	4.709	0.000	Valid
H2	$IQn \rightarrow IU$	0.232	0.231	0.092	2.512	0.006	Valid
H4	$IU \rightarrow IA$	0.634	0.635	0.052	12.294	0.000	Valid

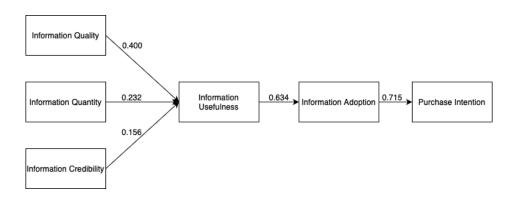


Fig. 2: Structural Model Evaluation Result

The analysis provided support for all hypotheses in this study. The first hypothesis revealed that information usefulness positively influenced by information quality significantly (β value = 0.400 and T-statistic = 4.709), confirming H1. The second hypothesis, which investigated the impact of information usefulness positively influenced by information quantity significantly (β value = 0.232 and T-statistic = 2.512), affirming H2. The third hypothesis, the effect of information credibility positively influences information usefulness significantly (β value = 0.156 and T-statistic = 1.810), validating H3. The fourth hypothesis assessed whether information usefulness influences information adoption, showing a strong positive effect (β value = 0.634 and T-statistic = 12.294), thus supporting H4. Finally, the fifth hypothesis examined the impact of information adoption finding a robust positive relationship on purchase intention (β value = 0.715 and T-statistic = 17.288), which confirmed H5.

Table 6: R Square Result

	R Square	R Square Adjusted
IA	0.403	0.400
IU	0.451	0.445
PI	0.511	0.510

Based on Table 6 above, the Information Adoption R² value is 0.400, meaning the independent variables explain 40% of its variation. For Information Usefulness, the R² value is 0.445, showing that these variables explain 44.5% of its variation. Purchase Intention R² value is 0.511, indicating that 51% of its variation is explained. The adjusted R² values confirm that the models effectively explain these outcomes. Overall, the results validate the theoretical framework and emphasize the impact of the independent variables on Information Adoption, Information Usefulness, and Purchase Intention.

4.3 Discussion

The results from hypothesis testing confirm support for all hypotheses in this study. The initial finding reveals that information usefulness positively influenced by information quality significantly, consistent with prior studies [2, 7, 13,14, 16]. The second result shows that the information quantity also has a substantial and positive influence on its usefulness, which aligns with earlier research [2, 11]. The third finding demonstrates that the information credibility significantly and positively affects its usefulness, echoing the conclusions of previous studies like those by [2, 13, 18]. The fourth result indicates that information adoption positively influenced by information usefulness significantly, corroborating earlier findings from researchers such as [2, 7, 19, 20]. Lastly, the fifth finding suggests that purchase intention positively influenced by information adoption significantly, in agreement with prior research including [2, 15, 20].

5. Conlusion

The study uses quantitative methods to explore consumer eWOM reviews for Saff & Co. products on TikTok. Our proposed methodology offers valuable insights into consumer behaviour and its implications for purchase intention in Saff & Co products. By employing quantitative methods, we can effectively evaluate consumers' perceptions and identify areas for enhancement. This approach provides an opportunity for the company, managers, and businesses to understand and address consumer preferences, contributing to the development and improvement of digital marketing. Furthermore, our study's findings shed light on critical aspects of consumer perceptions towards Saff & Co products on TikTok. The insights provide a foundation for Saff & Co and the perfumery industry, ensuring that marketing strategies are aligned with consumer preferences and improving overall satisfaction.

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